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IN THE
**Supreme Court of the United States**

SAMSUNG ELECTRONICS CO., *et al.*,
*Petitioners,*

v.

APPLE INC.,
*Respondent.*

**On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit**

# Brief *Amicus Curiae* of the Software Freedom Law Center in Support of Petitioners

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## QUESTION PRESENTED

1. Can Congress constitutionally award "total profits" damages for infringement of design patents, where 35 U.S.C. §171 contains none of the constitutionally required safeguards for First Amendment protected speech this Court has held are required for constitutional exercise of the Article I, §8 power?

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## INTEREST OF *Amicus Curiae*

The Software Freedom Law Center is a not-for-profit legal services organization that provides legal representation and other law-related services to protect and advance free software.[1] SFLC provides pro bono legal services to non-profit free software developers and also helps the general public better understand the legal aspects of free software. SFLC has an interest in this matter because the decision of this Court will have a significant effect on the rights of the free software developers and users SFLC represents. More specifically, SFLC has an interest in ensuring that limits are maintained on the reach of patent law so that Free and Open Source software development is not unreasonably and unnecessarily impeded.

[1]Pursuant to Sup. Ct. R. 37.6, amicus notes that no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than amicus curiae and its counsel made a monetary contribution to its preparation or submission. Petitioners have consented to the filing of this brief through a blanket consent letter filed with the Clerk's Office. Respondent has consented to the filing of this brief through a consent letter filed with the Clerk's Office.

## SUMMARY OF ARGUMENT

This Court has not considered a patent on ornamental design for more than a century. But in cases over the last twenty-five years, from *Feist Publications, Inc.* v. *Rural Telephone Service Co., Inc.*, 499 U.S. 340 (1991) to *Eldred* v. *Ashcroft*, 537 U.S. 186, 219 (2003) to *Alice Corp. Pty. Ltd* v. *CLS Bank Int'l* 134 S. Ct. 2347 (2014), this Court has repeatedly reinforced the role of the First Amendment in limiting the effect of patent and copyright rules on freedom of protected speech and the communication of ideas. Patent monopolies on "ornamental design" have not been subjected to the same constiutional scrutiny that this Court has given to doctrines concerning copyright and utility patents. The rule of patentability established by 35 U.S.C. §171, which makes patentable any "new" or "original" "ornamental design," overlaps with copyright protection for the same expressions, but without the constitutionally-required distinction between idea and expression, or the availability of fair use defenses, that this Court has said, *see Eldred*, *supra*, 537 U.S., at 219, the First Amendment requires. *See* Ralph D. Clifford & Richard J. Peltz-Steele, *The Constitutionality of Design Patents*, 14:2 CHI.-KENT J. INTELL. PROP. 553 (2015)

As the Court below read 35 U.S.C. §289, this constitutionally dubious state-granted monopoly is enforced by a damages rule allowing the patent holder to recover the total profit earned by the sale of any "article of manufacture," no matter how complex or valuable to its purchasers for other reasons, if it contains a "colorable imitation" of a patented design. Such a punitive measure of damages renders the design patent a particularly powerful weapon for the prohibition of

innovation, whether in the hands of incumbent manufacturers or "patent trolls." This is also, with respect to protected speech, the very definition of the chilling effect the First Amendment requires that we avoid. This Court has recognized that even speech at the very margins of First Amendment protection, such as defamatory falsehood, cannot be subject to punitive damages without a showing of "constitutional malice," that is, intentional publication of falsehood or reckless disregard of truth. *See Gertz* v. *Robert Welch, Inc.*, 418 U.S. 323, 349 (1974). Liability for patent infringement requires not even a showing of intent, let alone a level of intent sufficient to meet First Amendment requirements. The reading given to §289 by the Court of Appeals below therefore raises serious constitutional questions.

## ARGUMENT

### I. Award of Design Patents Under 35 U.S.C. §171 Violates the First Amendment

#### A. THIS COURT HELD IN *Feist* AND *Eldred* THAT THE IDEA/EXPRESSION DISTINCTION AND FAIR USE DOCTRINE ARE CONSTITUTIONALLY REQUIRED TO MAKE COPYRIGHT CONSISTENT WITH THE FIRST AMENDMENT

This Court recognized in *Feist Publications, Inc.* v. *Rural Telephone Service Co., Inc.*, 499 U.S. 340 (1991), that copyright's dichotomy between unprotected ideas and protected expression is not "some unforeseen byproduct of a statutory scheme."

> It is, rather, "the essence of copyright," and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "to promote the Progress of Science and useful Arts." U.S. Const. Art. I, §8, cl. 8. Accord *Twentieth Century Music Corp.* v. *Aiken*, 422 U.S. 151, 156 (1975). To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. This principle, known as the idea/expression or fact/expression dichotomy, applies to all works of authorship."

*Feist*, *supra*, 499 U.S. at 349-350 (citations omitted).

This Court held in *Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003), that the First Amendment precludes the

extension of statutory monopolies to abstract ideas. As you there said, the near-simultaneous adoption of the Patent and Copyright Clause and the First Amendment indicates that these laws are fundamentally compatible. This compatibility, however, depends on a construction of the patent and copyright laws that preserves First Amendment principles, including the freedom to communicate any "idea, theory, and fact." *Id.*

*Eldred*, *supra*, identified two mechanisms in copyright law that are necessary to accommodate this principle. First, the idea/expression dichotomy limits copyright's monopoly to an author's expression, leaving ideas "instantly available for public exploitation." *Id.* Second, the fair use doctrine allows the public to use even copyrighted expression for some purposes, "such as criticism, comment, news reporting, teaching..., scholarship, or research" *Id.* at 220.

Patent statutes, which depend on the same constitutional grant of authority as copyright statutes, are similarly limited by the First Amendment. See *Eldred*, 537 U.S. at 201 ("Because the Clause empowering Congress to confer copyrights also authorizes patents, congressional practice with respect to patents informs our inquiry.") The presence of an unwavering exemption for abstract ideas reconciles patent law with the First Amendment in a fashion similar to the idea/expression dichotomy's crucial role in reconciling copyright and freedom of speech with respect to utility patents. The presence of some limiting principle is even more necessary with respect to patent law than with respect to copyright, because, as you observed in *Eldred*, "the grant of a patent... prevent[s] full use by others of the inventor's knowledge." 537 U.S. at 217 (citation omitted). Patents can and do limit the ap-

plication of knowledge to produce a new machine or to transform an article into a different state or thing, but they cannot constitutionally limit the communication of knowledge or ideas. *Eldred* teaches that, without this limitation, determining the scope of patent eligibility in each individual case would raise First Amendment questions of great difficulty.

But the present case sets before this Court, for the first time in more than a century, a patent not on a useful invention, but on a design. What the Court has recognized as a limitation harmonizing utility patents with the First Amendment, namely the prohibition on the patenting of abstract ideas, such as mathematics, algorithms, or facts of nature, *see Diamond* v. *Diehr*, 450 U.S. 175 (1981); *Parker* v. *Flook*, 437 U.S. 584 (1978); *Bilski* v. *Kappos*, 561 U.S. 593 (2010); *Alice Corp. Pty. Ltd.* v. *CLS Bank Int'l*, 134 S. Ct. 2347 (2014), has no purchase with respect to patents on "ornamental design." Unless some other constitutional limitation is present, this Court's decisions over the course of the last 120 years force the conclusion that Congress cannot offer patent protection to such designs at all.

Patent law also recognizes no analogue to fair use, previously described by this Court as the second bulkwark of constitutional harmony between copyright and free expression. *See Eldred*, 537 U.S., at 219-220. The absence of any provision for fair use substantially increases the constitutional difficulty when patents are sought and granted for "ornamental design."

### B. "Ornamental Design" is Speech Protected Under the First Amendment, Whose Requirements Do Not Vary Whether the Speech is Patented or Copyrighted

One patent at issue in the present case claims an "ornamental design" for any object (media player, mobile phone, personal digital assistant, "novelty item" or "toy") shaped as indicated in the drawings accompanying the application, which depicts a roughly rectangular slab with rounded corners and some additional decorative features on the front, sides, and back of the slab. U.S. Design Patent No. 618,677

Any such design, or set of drawings embodying the design, are speech protected by the First Amendment, just as much as a political cartoon, *see Hustler Magazine* v. *Falwell*, 485 U.S. 46 (1988), or an advertisement for a casino, *see Posadas de Puerto Rico Assocs.* v. *Tourism Co.*, 478 U.S. 328 (1986). If Congress criminally prohibited or imposed prior restraint on such speech, the particular doctrinal label under which it did so would be irrelevant to the statute's evident unconstitutionality. A statute conveying a monopoly lasting decades over any use of the design, the cartoon or the advertisement must also meet First Amendment requirements somehow, because it prohibits everyone not having permission from the monopoly holder from using the design. Calling the relevant grant of monopoly "patent" rather than "copyright" in no way alters the degree to which the subject is protected speech. If in the present instance the design were treated under copyright law, Congress would be constitutionally required, under this Court's holdings, to differentiate between the expression of the design and

any idea (having, e.g. rounded corners) it contained, and to provide for a defense of fair use, rather than liability for "colorable imitation." *See* 35 U.S.C. §289. Those constitutional constraints cannot be lifted by calling the statutory monopoly a "patent," rather than a "copyright."

### C. State-Granted Monopolies Over Speech Protected by the First Amendment Must Be Limited

Because the subject matter of design patents is speech protected by the First Amendment, any statute purporting to convey a long-term monopoly to a single "owner" must be limited in some fashion in order to conform to First Amendment requirements. No less than in the case of words, suppression of particular designs runs "a substantial risk of suppressing ideas in the process." *Cohen* v. *California*, 403 U.S. 15, 26 (1971). By way of comparison, the limitations imposed on the ability to grant trademark monopolies are the previous accumulation of market value in the word or mark "as the result of organization and the expenditure of labor, skill, and money," *International News Service* v. *Associated Press*, 248 U.S. 215, 239 (1918), and the fact that the breadth of the monopoly is only over uses of the mark necessary to avoid confusion. This Court has held that Congress can establish a monopoly right in a particular word or symbol without limitation to the property right necessasry for the avoidance of confusion, *see San Francisco Arts & Athletics* v. *United States Olympic Committee*, 483 U.S. 522 (1987), but only in the case where the word or mark had acquired "commercial and promotional value" as "'the end result of much time, effort, and ex-

pense.'" *Id.* at 532-533, (quoting *Zacchini* v. *Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 575 (1977)).

But 35 U.S.C. §171 states baldly, without any qualification or limitation that "[w]hoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor." The only requirement of patentability for the design is originality, also the basic requirement for copyrightability. There is no doubt that the drawings or other materials fixing the supposedly patentable design in a tangible medium of expression are also subject to copyright. But where such copyrightable works *must*, as this Court has repeatedly made clear, be subject to limitation to the protection of expressions rather than ideas, and to broad, equitable defenses of fair use, §171—on no further predicate than originality alone—purports to grant rights untrammeled by these or equivalent limitations. Even if the burdens on First Amendment rights created here were merely incidental, the absence from patent doctrine of limitations present in copyright would be sufficient to show that the restrictions are greater than necessary in order to serve the government interest at stake. *See United States* v. *O'Brien*, 391 U.S. 367, 377 (1968).

The entire modern history of the First Amendment has transpired since this Court last considered a design patent. *See Smith* v. *Whitman Saddle Co.*, 148 U.S. 674 (1893). It is apparent that long absence of constitutional scrutiny by no means implies constitutional propriety. In a proper case, this Court should hold 35 U.S.C. §171 invalid, leaving Congress to enact such additional measures of restriction on the scope and such additional defenses for fair use as would bring design patents within the constitutional ambit, or to remit the function performed by such patents to

be performed instead by the Copyright and Lanham Acts.

## II. To Avoid Constitutional Infirmity, This Court Must Reject the Reading Below of 35 U.S.C. §289

Petitioners did not raise below the issue of §171's constitutionality, nor did the Court of Appeals consider and decide the question. Amicus concedes that it is not therefore properly before this Court for decision in the instant case. But the apparent constitutional infirmity of §171 is determinative of the question presented here, because a rule confiscating all profits gained by the seller of an article infringing a monopoly that overbroadly burdens First Amendment rights is in itself constitutionally offensive.

### A. Allowing the Confiscation of All Profits for the Infringement of an Unconstitutional State-Granted Monopoly Over Protected Speech Violates the First Amendment

The "total profits" rule for measuring damages for the infringement of design patents contained in 35 U.S.C. §289, as read by the court below, affords the holder of patents on ornamental designs an essentially punitive power, unrelated to the proportionality principle of adequate compensation not less than "a reasonable royalty" established as the measure of damages for useful inventions involving novel and unobvious technical learning valuably disclosed to the public through a utility patent application. See 35 U.S.C.

§284. The "total profits" rule of §289 also exceeds the standard applicable in copyright, where the infringing defendant is entitled to prove the portion of its profit "attributable to factors other than the copyrighted work [infringed]." *See* 17 U.S.C. §504(b).

Damages awarded without proportionality to the plaintiff's loss or the defendant's independent contribution to its profit are intentionally confiscatory. The imposition of such damages amounts to Congressional authorization of a punitive exaction for "colorable imitation" of "ornamental design," which is speech protected by the First Amendment. *See* 35 U.S.C. §289. This Court has held that punitive damages cannot constitutionally be awarded for defamatory falsehood, even with respect to private figures, absent a finding of constitutional malice. *See Gertz* v. *Robert Welch, Inc.*, 418 U.S. 323, 349 (1974). The State's interest in preventing defamation, this Court held, is not sufficient to justify a damages rule that "unnecessarily exacerbates the danger of ... self-censorship." *Id.* at 350. No showing of any intention to infringe is necessary in order to take all profits, whether or not related to the infringement, under §289 as read by the Court below. There can be no doubt that such a damages rule risks precisely the "chilling effect" on protected speech that this Court has shown repeatedly it is the purpose of First Amendment doctrine to avoid. If the Federal Circuit's reading of §289 is correct, liability without fault can in patent law lead to damages unrelated to compensation for "colorable imitation" of a state-granted monopoly on protected speech.

## CONCLUSION

The provision for patents on "ornamental design" in 35 U.S.C. §171 is incompatible with the requirements the First Amendment imposes on any statute passed by Congress under the power delegated by Article I, §8. In an appropriate case, this Court should invalidate the provision or impose upon it the doctrinal limitations appropriate, parallel to those recognized by this Court's cases concerning copyright. The interpretation below of the "total profits" rule of 35 U.S.C. §289, which authorizes essentially punitive damages for protected speech absent showing of fault or constitutional malice, raises constitutional questions. Either §289 must be interpreted to avoid these infirmities, or it cannot stand. Accordingly the decision below should be reversed.

Respectfully submitted.

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